

Thank you to all the distinguished members of this important committee for having me here today. I'm honored to be invited here today and hope that what I have to convey will have a meaningful impact for the benefit of the citizens of this wonderful state. My name is David Balat, and I am the director of the Right on Healthcare initiative of the Texas Public Policy Foundation.

I firmly believe that we all want affordability and accessibility in healthcare, but we simply have different ideas about how to get there. Healthcare is an American issue, not a political one. It is personal, not partisan. I agree with the Majority Leader when he said in his statement, "The Senate body should not support policy based on political wins or losses, but rather good sound policy that benefits the State of Kansas and its constituents."

My experience as a healthcare executive, hospital administrator, and patient advocate precedes my work in health policy. My journey coming from the healthcare industry into the realm of policy came about because lawmakers at the federal level have consistently conflated and confused health insurance with health care. I am here to confirm to this body that coverage is not care. As a hospital administrator, I led organizations throughout Texas in various types of communities and was often sought out as a turn-around specialist for facilities that were financially challenged.

I can assure you that more Medicaid patients will not save your facilities that are struggling and the leader of the Kansas Hospital Association has said the same. When CEO of the Association was asked by Modern Healthcare, "What impact will the bill, if it passes, have on hospital closures?" His [statement](#) was an accurate representation when he stated, "We've never said Medicaid expansion is a panacea to closures. You try to find all the tools you can to help you solve that problem."

It's important to look at California where 1 in 3 residents of the state are enrolled in Medi-Cal, yet nearly 10% of all hospital closures in 2018 occurred in the state of California. It makes little sense to replicate what other states have done yet expect different results.

Kansas, like the rest of the nation, has undergone significant changes in the healthcare landscape. The ACA has not only contributed to increased costs of care (healthcare prices, premiums, deductibles, and total out of pocket expenses) but it has also been a boon to the special interests that have benefitted from advantages afforded it by government regulations. We have been witness to mega-mergers in the insurance industry, the pharmaceutical supply chain, and certainly by the hospital industry. Even in Kansas, you've seen a steep [rise](#) in the number of your hospitals being absorbed by for-profit entities that in turn are creating regional monopolies.

You may ask, why is this important to the discussion we are having today? I believe the answer is best given by the past president of the Kansas City Medical Society, John Hagan. Mr. Hagan [said](#) "the number of doctors employed by hospital systems may also play a role in the disparity of providers accepting Medicare and Medicaid. I have known physicians that sold their practices to hospitals, the hospital doubled the charges the

doctors were making when self-employed and the doctors get more pay, as does the hospital”

According to the [Physician's Foundation](#), “More than 35% of primary care physicians indicate they do not see Medicaid patients or limit the number they see, potentially inhibiting the access a growing number of Medicaid patients have to an office-based physician.” In Kansas, much like Texas, that percentage is higher due to the administrative burden associated in dealing with the Medicaid bureaucracy. This is an indication that the bureaucracy is hindering care. One of the stated goals of expanding Medicaid by President Obama was to reduce ER utilization, what the data tells us is that the opposite is true. Expansion states have seen a significant rise in ER utilization because expanding has put more strain on an already exacerbated system and more people are going to the ER for non-urgent reasons.

According to [ReachHealth](#) (one of the proponents of this bill), “Kansas has not yet expanded Medicaid but could choose to do so in the future. If Kansas expanded the program, an estimated 152,000 adults could gain insurance coverage.” They *could* gain coverage yet Kansas has an estimated 37,000 – or 5.1 percent – of Kansas’ children under 18 that are eligible yet [unenrolled](#). The intended purpose of Medicaid is to care for women and children yet expanding will only crowd that population out.

According to analysis by the [Kaiser Family Foundation](#), Fifteen million people across the nation in 2017, or a whopping 55 percent of the uninsured, were eligible for Medicaid, ACA Tax Credits, or other public programs — and yet did not to utilize such programs.

As I bring this testimony to a close and welcome any questions you may have on this important topic, I would like to stress again that coverage is not care. Most of our discussion has been about insurance and the financing vehicle. I would recommend that this body do the hard work of looking at how you can support your medical professionals that give the care by reducing bureaucracy and supporting innovative direct care models that are growing around the country. I would also encourage you to make better use of Federally Qualified Health Centers. As of a recent search, there is currently only one such center in the state and these types of providers are at the tip of the spear when caring for the vulnerable populations of our nation. Care, not coverage, should be our focus and based on the number of eligible but not enrolled we have some work to do on our current programs.